

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0663-01
Bill No.: HB 204
Subject: Toll Highways
Type: Original
Date: February 5, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Office of the State Treasurer**, and the **Office of Administration–Division of Accounting and Division of Budget and Planning** assume the proposal would have no fiscal impact on their agencies.

The **Department of Transportation (MoDOT)** assumes this legislation allows the State Highways and Transportation Commission to conduct feasibility studies for toll roads as well as to design, acquire, construct, maintain, reconstruct, and operate toll facilities. Additional powers are granted to issue revenue bonds, refund any outstanding bonds, and to fix and collect revenue from toll facilities. This legislation also establishes funds in the state Treasury for the purpose of toll facilities. However, a limit on the principal bond amount at any one time is set at \$500 million.

MoDOT notes that under current law, the Missouri Highways and Transportation Commission does not have the authority to expend state road funds for the construction of toll facilities, such as toll bridges or toll highways. This legislation would authorize the Commission to construct and operate such facilities. The facilities would be funded from toll facility revenue bonds issued by the Commission. The bonds would not be an obligation of the state. When the bonds issued for a particular facility have been paid, the toll would be discontinued and the facility would become part of the free state highway system.

According to **MoDOT**, this legislation would create a positive impact, in that it would provide the Commission with an alternative method to fund and build needed transportation facilities in the state. This will not affect MoDOT revenues until the toll roads are constructed.

Oversight notes that the proposal specifically states that bonds issued would not be considered obligations of the state. Proceeds from the sale of such bonds as well as tolls and other revenues derived from any toll facilities constructed are to be credited to toll facility funds and used for payment of principal and interest on the bonds, as well as for the payment of costs associated with the establishment of toll facilities. The proposal does allow the Commission to transfer funds from the state road fund in the event revenues from a toll facility are inadequate, if necessary to meet current bond principal and interest obligations, or to initially pay for feasibility studies for and designs of toll facility projects. Any transfers from the state road fund are to be repaid with interest.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill enables the Highways and Transportation Commission to fund, construct, and operate toll roads, toll bridges, and other facilities connected with toll roads and bridges. It is contingent upon the approval of a constitutional amendment authorizing the commission to fund, construct, and operate toll facilities.

The commission is authorized to issue revenue bonds and refunding bonds for toll facilities. No more than \$500 million in bonds may be outstanding at any one time. The bill exempts the interest on the bonds from taxation by the state except for the estate tax.

Construction, operation, and retirement of debt in connection with toll facilities will be handled in three funds.

The State Toll Facility Construction Fund will receive the proceeds from the sale of state road revenue bonds and moneys from other sources to be used to pay for the construction of toll facilities.

The State Toll Facility Revenue Fund will receive state revenue from toll facilities.

The State Toll Facility Bond and Interest Sinking Fund will receive funds from the State Toll Facility Revenue Fund which are in excess of what is needed to operate toll facilities. These funds will be used to pay principal and interest on the bonds. If there are insufficient funds to do that, the commission is given authority to transfer moneys from the State Road Fund sufficient to make such payments.

DESCRIPTION (continued)

The commission will establish segregated accounts within the various funds to keep the financing of projects separated from each other. It has authority to make transfers between funds and accounts.

When the bonds issued for a particular toll facility are paid off, the facility will continue in the state transportation system as a free facility.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Transportation
Office of Administration
 Division of Budget and Planning
 Division of Accounting
Office of the State Treasurer



Jeanne Jarrett, CPA
Director
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